

GUIDELINES FOR 96/97 FISCAL YEAR DEFERRED MAINTENANCE PROGRAM

All districts wishing to apply for apportionments under the Deferred Maintenance Program for Fiscal Year 1996/97 must file an application with the State Allocation Board (SAB) by March 31, 1997. The attached application form (SAB 40-2) has been developed for your convenience in order to help you apply for the various apportionments available under the State School Deferred Maintenance Law. Instruction for completing the application(s) appear on the back of the form(s). The various apportionments are as follows:

1. Basic Apportionment - Education Code Section (39619) (b)

A district may receive a basic participation apportionment up to an amount determined by the size of the district's budget and those of other districts of similar size. This is adjusted by the revenue limits of the same districts.

As the County Offices of Education have no established revenue limit (ADA) their funding level will be calculated by the "old" formula of one-half of one percent.

2. Additional Apportionment - Education Code Section 39619.2

Specific legislation allows districts to apply for an additional apportionment. This apportionment shall be no greater than the amount calculated in Item No. 1.

3. Critical Hardship Apportionment - Education Code Section 39619.5

If a district has an extreme hardship and meets the criteria for a hardship apportionment, it may request hardship funding in the application (Form SAB 40-2) or by separate letter.

An extreme hardship exists when the SAB determines the existence of all of the following:

- a) Your district has deposited the required basic participation contribution in its Deferred Maintenance Fund.
- b) Your district has a critical project on its five-year plan which, if not completed in one year, will cause serious damage to the remainder of the facility or would result in a serious hazard to the health and safety of the pupils. SAB Regulations permit your district to apply for more than one critical hardship project.
- c) That the total funds deposited by your district and the State for the basic matching participation are insufficient to complete the project.

If your district requests a hardship apportionment, it will be reviewed by the Office of Public School Construction (OPSC) staff and a "hardship project information packet" will be mailed to you. After you have completed and submitted the packet back to the OPSC, the OPSC will then determine if the project meets the criteria noted above.

Depending upon the availability of funds, hardship requests will be submitted in priority order to the SAB for approval (refer to SAB Regulation 1866.5.1).

In order for your district to receive any of the apportionments noted above, you must submit a five-year plan of deferred maintenance needs, unless you are continuing with a previously approved plan. The plan should begin with the current Fiscal Year 1996/97 and include estimates for your total deferred maintenance needs in the four succeeding years. A sample format of a five-year deferred maintenance plan is enclosed for your convenience. The SAB approval of the plan is an approval of the projects, not a commitment of State funds to finance the projects.

The OPSC receives many requests with regards to ineligible deferred maintenance projects. In order to alleviate some of the confusion, the following represents some of expenditures deemed ineligible that should not be included in your district's five-year plan:

1. Projects that are not on an approved five-year plan.
2. Repair and maintenance of school facilities that are no longer needed for K-12/Adult Education purposes.
3. Repair and maintenance of facilities leased by or from the district.
4. Repair and maintenance of furniture and equipment.
5. Ongoing preventive maintenance (i.e., periodic inspection and cleaning, replacement of bulbs and ballast, minor repairs, individual floor tiles, individual ceiling tiles, etc.).
6. Installation of new items which did not exist previously (i.e., school-owned telephone system replacing a leased system).
7. Energy conservation.
8. New handicap compliance and requirements.
9. When work is performed by a district employee who is filling a budgeted position justified through the normal annual budgetary process, the District must set up a Force Labor Account fund. There are exceptions to this policy under very specific circumstances. Contact your Deferred Maintenance Project Manager for details.

Actual funding for all apportionments is subject to the availability of State funds and certification by the County Superintendent of Schools that the required district funds have been deposited in your district's Deferred Maintenance Fund. All required deposits must be made before September 30, 1997.

It should be noted that all deferred maintenance projects are subject to audit. Records should be appropriately maintained to support all expenditures made, regardless from which fund they were originally paid.

Again, if you need help with the Deferred Maintenance Program, please do not hesitate to contact Ms. Abernathy at (916) 445-3635 or via e-mail to dabernathy@dgs.ca.gov. Ms. Abernathy will direct you to the appropriate project manager.